

MICHIGAN STRATEGIC FUND ACT (EXCERPT)
Act 270 of 1984

125.2090b Michigan community revitalization program; community revitalization incentives; placement of funds in 21st century jobs trust fund; application; criteria; approval or denial; limitation on amount of loans, grants, and other economic assistance; written agreement; use of annual appropriation from 21st century jobs trust fund; fees; findings and declaration.

Sec. 90b. (1) The fund shall create and operate the Michigan community revitalization program to provide community revitalization incentives for eligible investments on eligible property in this state. The fund shall develop and use a detailed application, approval, and compliance process adopted by a resolution of the board and published and available on the fund's website. Program standards, guidelines, templates, or any other forms used by the fund to implement the Michigan community revitalization program shall be approved by the board.

(2) A person or 2 or more persons may apply to the fund for approval of community revitalization incentives associated with a project under this section. Community revitalization incentives shall not be approved for any property that is not eligible property.

(3) Funds appropriated for programs under this chapter shall be placed in the 21st century jobs trust fund created in the Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260.

(4) Subject to section 88c, the fund shall review all applications for community revitalization incentives. As part of the application, the applicant shall include documentation establishing that the project is located on eligible property and a project description that includes a project pro-forma. The fund shall consider the following criteria to the extent reasonably applicable as reasonably determined by the fund board or its designee to the type of project proposed when approving a community revitalization incentive:

- (a) The importance of the project to the community in which it is located.
- (b) If the project will act as a catalyst for additional revitalization of the community in which it is located.
- (c) The amount of local community and financial support for the project.
- (d) The applicant's financial need for a community revitalization incentive.
- (e) The extent of reuse of vacant buildings, reuse of historic resources, and redevelopment of blighted property.
- (f) Creation of jobs.
- (g) The level of private sector and other contributions, including, but not limited to, federal funds and federal tax credits.
- (h) Whether the project is financially and economically sound.
- (i) Whether the project increases the density of the area.
- (j) Whether the project promotes mixed-use development and walkable communities.
- (k) Whether the project converts abandoned public buildings to private use.
- (l) Whether the project promotes sustainable development.
- (m) Whether the project involves the rehabilitation of a historic resource.
- (n) Whether the project addresses areawide redevelopment.
- (o) Whether the project addresses underserved markets of commerce.
- (p) The level and extent of environmental contamination.
- (q) If the rehabilitation of the historic resource will meet the federal secretary of the interior's standards for rehabilitation and guidelines for rehabilitating historic buildings, 36 CFR 67, when applied after engaging in discussions with the state historic preservation office.
- (r) Whether the project will compete with or affect existing Michigan businesses within the same industry.
- (s) Any other additional criteria approved by the board that are specific to each individual project and are consistent with the findings and intent of this chapter.

(5) An application shall be approved or denied not more than 90 days after receipt of the application that is considered administratively complete by the board or its designee. If the application is neither approved nor denied within 90 days after being considered administratively complete, it shall be considered by the fund board, or its president if delegated, for action at, or by, the next regularly scheduled board meeting. If an application is approved, the fund shall determine the amount of community revitalization incentives for the project based on the fund's review of the application and the criteria specified in subsection (4).

(6) Except as otherwise provided in this subsection, the amount of community revitalization incentives that the board may approve for a single project shall not exceed 25% of a project's eligible investment up to \$10,000,000.00. A community revitalization loan shall not exceed \$10,000,000.00, and a community revitalization grant shall not exceed \$1,500,000.00. However, a combination of loans, grants, and other

economic assistance under this chapter shall not exceed \$10,000,000.00 per project. The board may not approve \$10,000,000.00 per project in community revitalization incentives to more than 3 projects per fiscal year. The board shall approve not less than 5 projects of \$1,000,000.00 or less per project per fiscal year. If, after reviewing all applications in a fiscal year, the fund determines that less than 5 projects warranted an award of \$1,000,000.00 or less, this subsection shall not apply. Notwithstanding any other limitation in this subsection, each year, of the community revitalization projects approved by the board, the board may approve up to 3 single projects that shall not exceed 50% of a project's eligible investment up to \$10,000,000.00 for community revitalization loans and grants for the specific purpose of historic preservation.

(7) When the board approves an application and determines the amount of community revitalization incentives, the board shall enter into a written agreement with the applicant. The written agreement shall provide in a clear and concise manner all of the conditions imposed, including specific time frames, on the applicant to receive the community revitalization incentive under this chapter. The written agreement shall provide for the secured status of any loan, repayment, and penalties if the applicant fails to comply with the provisions of the written agreement as determined by the board. The applicant shall agree to provide the data described in the written agreement that is necessary for the fund to report to the legislature under this chapter.

(8) Not more than 4% of the annual appropriation as provided by law from the 21st century jobs trust fund established in the Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, may be used for the purposes of administering the programs and activities authorized under this chapter. However, the fund and the fund board shall not use more than 3% of the annual appropriation for administering the programs and activities authorized under this chapter unless the fund board by a 2/3 vote authorizes the additional 1% for administration. The MEDC may charge actual and reasonable fees for costs associated with the community revitalization incentive authorized under this chapter. These fees are in addition to an amount of the appropriation used for administering the programs and activities authorized under this chapter.

(9) The legislature finds and declares that funding authorized under this section is intended to encourage diversification of the economy, to encourage capital investment in this state, to promote the creation of qualified new jobs in this state, and to promote the investment in brownfield and historic preservation projects that reclaim previously used property that is less likely to be revitalized without the investment.

History: Add. 2011, Act 252, Imd. Eff. Dec. 13, 2011;—Am. 2012, Act 145, Imd. Eff. May 30, 2012;—Am. 2012, Act 395, Imd. Eff. Dec. 19, 2012;—Am. 2014, Act 506, Imd. Eff. Jan. 14, 2015.

Compiler's note: In subsection (4), “inventive” evidently should read “incentive.”

For transfer of the Michigan strategic fund from department of treasury to department of talent and economic development, and transfer of powers and duties of board of directors of Michigan strategic fund to new board of directors, see E.R.O. No. 2014-6, compiled at MCL 125.1995.

Popular name: Strategic Fund